HANetf Management Limited (the Manager)


Website disclosure

9 March 2021

Transparency of remuneration policies in relation to the integration of sustainability risks

As the Manager does not currently pay variable remuneration to its Identified Staff (as defined in the Manager’s remuneration policy), the remuneration policy of the Manager does not promote the taking of sustainability risks. The details of the Manager’s remuneration policy are available on request.

Transparency of adverse sustainability impacts at entity level

The Manager does not currently consider the principal adverse impacts of its investment decisions on sustainability factors. The Manager has opted against doing so primarily as the regulatory technical standards supplementing SFDR which will set out the content, methodology and information required in the principal adverse sustainability impact statement remain have been delayed. The Manager intends to consider the principal adverse impacts of investment decisions on sustainability factors once the regulatory technical standards come into effect, which is expected to occur on 1 January 2022.

Transparency of sustainability risk policies

The Manager adopts a different approach to the integration of sustainability risks in the investment decision-making process for different categories of financial product depending on whether the product is passively or actively managed and depending on the investment management delegation arrangements. These are addressed by category as follows:

Passively Managed Sub-Funds - Integration of sustainability risks in the investment process

1. EMQQ Emerging Markets Internet & Ecommerce UCITS ETF
2. HAN-GINS Cloud Technology UCITS ETF
3. HAN-GINS Tech Megatrend Equal Weight UCITS ETF
4. The Medical Cannabis and Wellness UCITS ETF
5. HAN-GINS Indxx Healthcare Innovation UCITS ETF
6. Alerian MLP Infrastructure Dividend UCITS ETF
7. Alerian Midstream Energy Dividend UCITS ETF
8. Digital Infrastructure and Connectivity UCITS ETF
9. Online Retail UCITS ETF (the Passively Managed Sub-Funds)

The Passively Managed Sub-Funds are passively managed and hold securities included in the relevant Index, which they track. The relevant Indices are required to represent an adequate benchmark for the market to which they refer. Each Index is created by a third-party Index Provider. As the strategy of the Passively Managed Sub-Funds is to track the relevant Index, changes to the portfolios of the Funds are driven by changes to the relevant Indices in accordance with their published methodologies rather than by an active selection of securities by the relevant Investment Manager. Accordingly, each Investment Manager of the Passively Managed Sub-Funds does not exercise discretion to actively select or deselect securities as part of the investment process. The Investment Managers do not therefore integrate sustainability risks in the investment process. Even where a Passively Managed Sub-Fund uses an optimisation strategy or representative sampling technique to track the relevant Reference Index, sustainability risks may not be incorporated into the optimisation strategy or representative...
sampling technique as the Passively Managed Sub-Funds' investment objectives are to track the performance of the relevant Index and decisions driven by sustainability risks could impact the ability to achieve that objective.

**iClima Global Decarbonisation Enablers UCITS ETF**

Sustainability risks are integrated into the design of the iClima Global Decarbonisation Enablers Index USD (the Index) which is tracked by the iClima Global Decarbonisation Enablers UCITS ETF. This includes potential avoided emissions (i.e., ability to decarbonise the planet), vis a vis green revenue materiality and brown revenue association (a key metric for negative screening for undesirable and unsustainable fossil fuel products). iClima Earth Limited's (the Index Sponsor) approach to ESG and sustainability is based on in house developed tangible metrics and raw data. The Index Sponsor does not rely on third party scorecards that are often calculated without consensus and without disclosure of the quantitative parameters.

The Index Sponsor's underlying focus is the decarbonisation of the planet and the stocks that represent products and services contributing towards that goal. The first area of focus is on "E" parameters, and that is based on three key sets of data. Firstly, the Index Sponsor has spent over a year in the process of quantifying "Potential Avoided Emissions", based on the framework developed and published by Mission Innovation. Potential Avoided Emissions in gigatons of CO2e is a tangible metric that indicates the relevance of a solution towards net zero targets. Secondly, the quantification of "green revenue", in line with the EU Taxonomy Regulations, but done ahead of time. In other words, the Index Sponsor gathered all public information from companies to determine (and estimate when the information was not disclosed) the percentage of revenue that is deemed to be "green". Lastly, the Index Sponsor focused on estimating the "brown" revenue of the companies. Equally important is to determine the products and services that are in line with fossil fuels. High carbon intensity products are deemed by the Index Sponsor to be non-sustainable.

**Actively Managed Sub-Fund - Integration of sustainability risks in the investment process**

1. Almalia Sanlam Active Shariah Global Equity UCITS ETF (the Actively Managed Sub-Fund)

The Investment Manager of the Actively Managed Sub-Fund, believes that the proper disclosure and consideration of environmental, social and corporate governance (ESG) risks and opportunities by the companies and countries in which the Sub-Funds are invested may enhance the risk-adjusted long-term performance of those investments. Accordingly, the Investment Manager incorporates the consideration of ESG factors into the investment process of the Actively Managed Sub-Fund, when doing so may have a material impact on the investment risk or return of such Sub-Funds. The Investment Manager considers a company’s ESG factors where material to the investment decision, but ESG factors are not necessarily a part of the fundamental investment objectives of the Actively Managed Sub-Fund.

While the Investment Manager does not exclude any particular investment or industry based on ESG factors alone, the Investment Manager will not knowingly invest in companies associated with the production, use, or distribution of controversial weapons.

The consideration of material ESG issues is incorporated into the investment analysis and decision-making processes in order to better assess investment opportunities and manage risk with a view toward generating sustainable, long-term returns. ESG refers to environmental, social and governance factors relevant to an investment, which may have a financial impact on that investment and affect the performance of a portfolio (to varying degrees across companies, sectors, regions, asset classes and over time). Examples of ESG factors include: environmental factors such as climate change, greenhouse gas emissions, resource depletion (including water), waste and pollution and deforestation; social factors such as human rights, working conditions, local communities, conflict, health and safety and employee relations and diversity; and governance factors such as executive pay, bribery and corruption, political lobbying and donations, board diversity and corporate structure and tax strategy.

Further details about the Investment Manager's approach to responsible investment can be found at: [https://www.sanlam.co.uk/](https://www.sanlam.co.uk/)